

Workforce News



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Wasatch Front South: Salt Lake, Tooele

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Transportation and Warehousing Reflect the Overall Economy



Inside:

- **Salt Lake:** By June 2009, there were 32,500 fewer jobs in the county than recorded twelve months earlier, a year-over decline of 5.4 percent.
- **Tooele:** The June 2009 year-over job losses of one percent are small compared to other counties along the Wasatch Front.

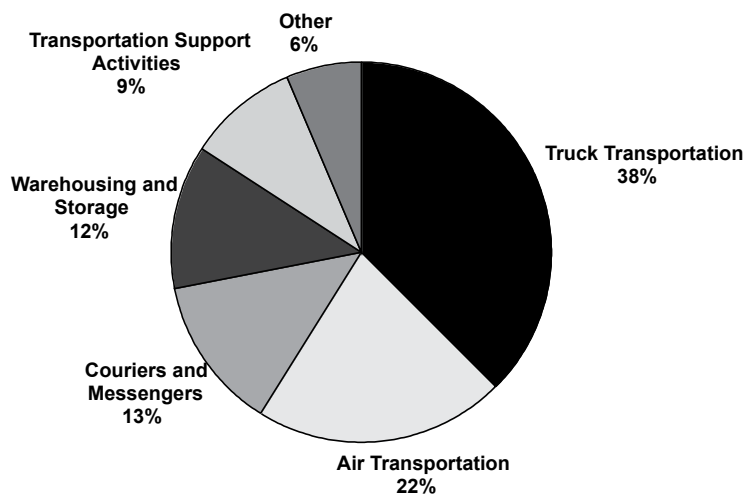
In Salt Lake and Tooele counties, the labor market has suffered as a result of the national and Utah recessions that began after December 2007. At first, the recession was felt primarily in housing construction and related industries, as the housing bubble popped. Then after September 2008, as a result of the national financial crises, job losses increased dramatically across almost all industries as credit was unavailable for a time and very tight for several months thereafter.

Just a few years ago the economic background was very different. From 2005 through 2007 job gains were the order of the day. Economic growth, very low unemployment, and ample job opportunities characterized the regional economy.

Employment in the transportation and warehousing industry can be used as an indicator of overall economic activity, expanding when the economy grows and contracting when economic activity

(continued)

Components of the Transportation and Warehousing Industry in Salt Lake and Tooele Counties: 2008



Source: Utah Department of Workforce Services.



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Transportation and Warehousing (continued)

Transportation and Warehousing Jobs in Salt Lake and Tooele Counties: January 2005 to June 2009



Source: Utah Department of Workforce Services.

declines (see chart). The five major sub-industry groups for transportation and warehousing are: truck transportation, air transportation, couriers, warehousing, and transportation support services. Together these five areas account for 93.5 percent of total employment in transportation and warehousing. These industries are, of course, involved in the movement of goods and people used in the production process by all other industries, and the import and export of final and intermediate goods and services into and out of this region. The flows of materials, people, and services—general economic activity—are reflected in transportation and warehousing employment levels.

For Salt Lake and Tooele counties the number of jobs in transportation and warehousing peaked in December 2007 at 29,089 when the last economic expansion in Utah (as well as the nation) ended. At first employment losses were gradual through about September 2008, then picking up and dropping quite dramatically since December 2008 through June 2009. (The June employment counts are the most recent available from non-farm payroll employer reports when this article was written.)

Employment estimates for the Salt Lake metropolitan area indicate that the number of jobs in transportation and

warehousing did not continue dropping in the third quarter. It seems that we may have reached a bottom or floor in terms of job loss in the transportation and warehousing industry, and this is also an indication that general activity in the regional economy may now be expanding, necessitating more hiring in this important industry.

To explore more industry employment data, go to: <http://jobs.utah.gov/jsp/wi/utalmis/gotoIndustry.do> **WEN**

County News

Salt Lake County

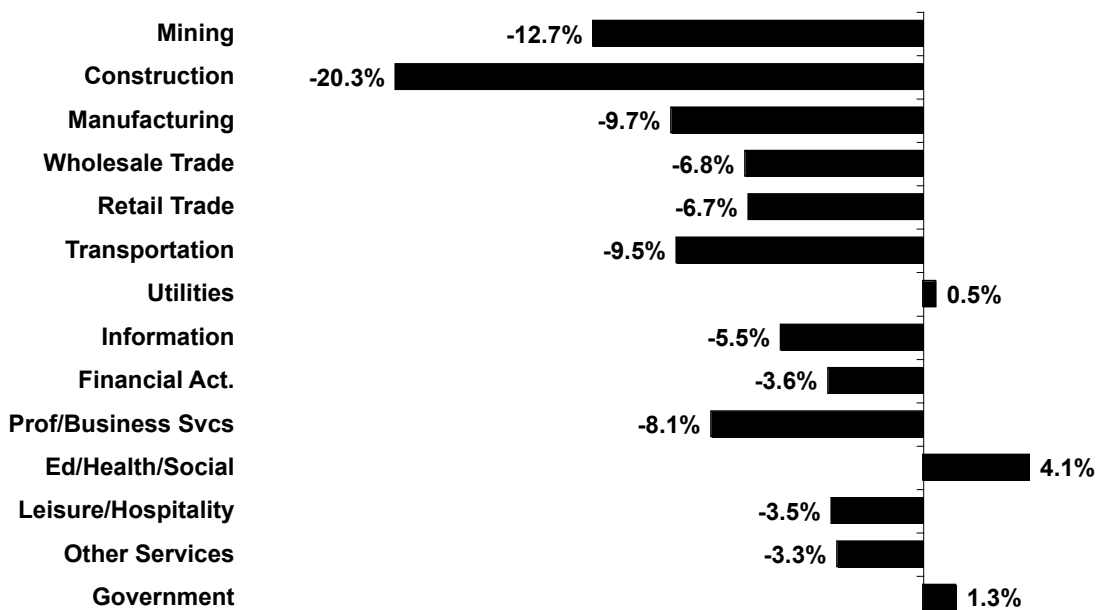
The latest nonagricultural employment counts from late spring into early summer 2009 detail the ongoing deterioration of the Salt Lake County labor market during the first six months of 2009. By June 2009, there were 32,500 fewer jobs in the county than recorded twelve months earlier, a year-over decline of 5.4 percent. The hardest hit industries, as measured by job losses in the last twelve months, continue to be construction (-8,071), trade (-6,562), manufacturing (-5,784), and administrative support (-5,325). Most other industries suffered significant year-over declines in employment as well. The industry sectors that had job gains over the year ending in June 2009 were healthcare (+2,098), local government (+1,217), private education (+373), and federal government (+360).

The estimated number of unemployed in Salt Lake County, increased from 18,000 in June 2008 to almost 34,300 by September 2009. The seasonally adjusted unemployment rate was 6.2 percent in September 2009 compared to 3.2 percent 15 months earlier in June 2008.

As we enter the final 3 months of 2009, there are signs that the labor market is stabilizing although economic conditions remain fragile. In Salt Lake County job estimates made in October 2009 indicate that, for the industries of employment services and truck transportation, the number of jobs are steady and likely to increase. These industries often can be seen as indicators of

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Salt Lake County Percent Change in Nonfarm Jobs by Industry: June 2008 to June 2009



Source: Utah Department of Workforce Services.

Total All Industries: - 5.4 percent.

County News

the direction of overall economic activity, now signaling that the recession has bottomed out.

The worry now is that any economic expansion will be anemic and the labor market will remain stressed with relatively small employment increases, while unemployment continues to drift upward into 2010.

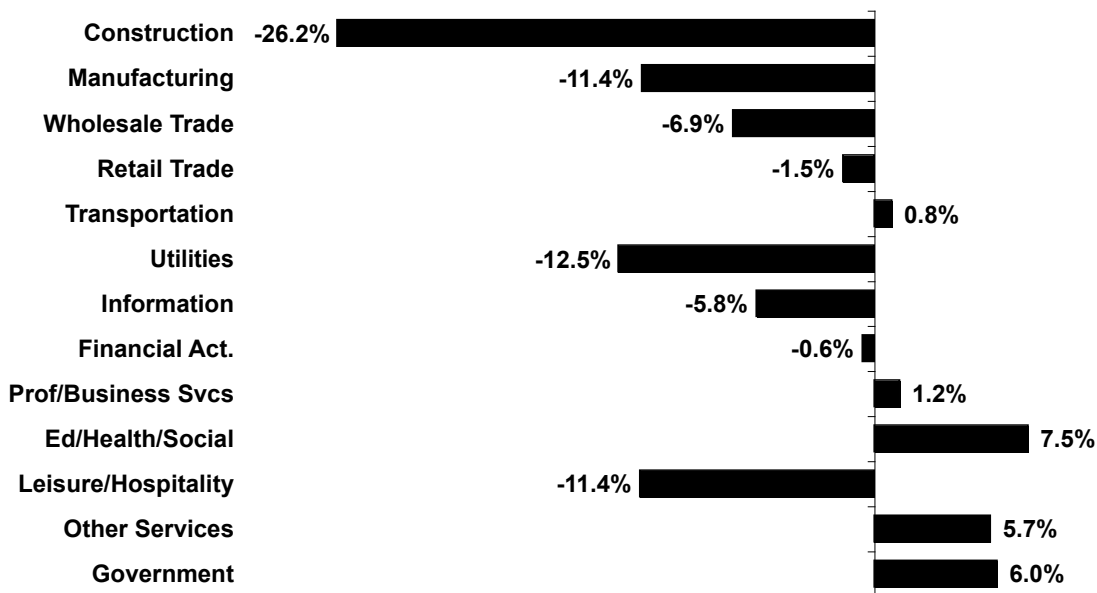
Tooele County

During the second quarter of 2009, the Tooele County job market lost a little ground relative to a year ago as a result of the current recession. In June of 2009 there were 156 fewer nonfarm jobs than recorded the previous June, a decline of one percent over the year. This relatively small reduction compares very favorably to other counties along the Wasatch

Front. Unfortunately, there have been significant jobs losses in construction (-192), manufacturing (-190), and leisure and hospitality (-175) from June 2008 to June 2009. Significant job growth during this period occurred in federal government (+187), local government (+76), and healthcare (+82).

Unemployment for Tooele County residents has increased, not only because of job cuts in its labor market but as a result of layoffs suffered by some that commute to Salt Lake County for work. There were 1,772 residents unemployed in September 2009 compared to 1,043 in September 2008, with the unemployment rate increasing from 3.8 percent to 6.6 percent. **WFFN**

Tooele County Percent Change in Nonfarm Jobs by Industry: June 2008 to June 2009



Source: Utah Department of Workforce Services.

Total All Industries: -1.0 percent.

What's Up?

"Military dignitaries broke ground at **Dugway Proving Ground** to the west of the installation's Michael Army Airfield on a new center for the development and testing of Unmanned Aircraft Systems [UAS], which are sent overseas to provide soldiers with an aerial view — via video feed — of combat situations. Dugway was selected after a year-long search for a location where the Army could consolidate UAS project efforts going on at various military bases across the country. Unmanned aircraft testing in the county's west desert will bring 250 new jobs."

—Tooele Transcript Bulletin

"**Edwards Lifesciences** expects to add more than 1,000 new jobs in Draper over the next 15 years. The heart-valve manufacturer has accepted the state's \$11.5-million incentive package, plus \$3 million in concessions from Draper where it will move next year into a 280,000-square-foot facility. It plans to add manufacturing and research and development positions, among other professional jobs. The Irvine, Calif.-based company currently employs 228 in its Midvale plant. The incentives played a role in its decision to expand, as did Utah's labor pool, said Edwards executive Paul Redmond."

—The Salt Lake Tribune

"Students enrolling this fall at **Utah State University's Tooele Regional Campus** were greeted by a new \$2.9-million, 18,000-square-foot addition built onto the existing building that more than doubled the total size of the campus and tripled the number of on-campus classrooms. Fall enrollment this year is currently 884 students, up 12 percent from fall 2008, which itself was up 21 percent from fall 2007."

—Tooele Transcript Bulletin

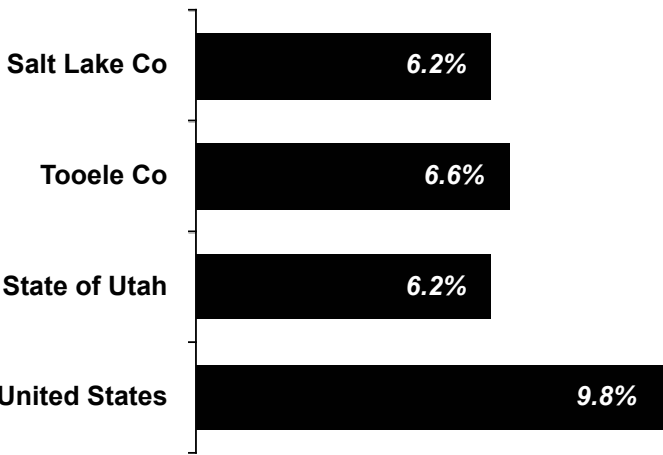
"The state, in a report filed with the federal government, says by the end of last month it had spent \$519 million in stimulus funds, allowing the state or its agencies to curb job losses or boost the number of employed Utahns. In total, **Utah's stimulus aid** helped retain or create 4,164 full-time equivalent jobs in state agencies or programs, much of it keeping teachers in their classrooms. The report doesn't take into account federal money sent directly to companies, cities or local agencies or the jobs affected there."

—The Salt Lake Tribune

"Set to open November 2, **Riverton Hospital** will be a full-service community hospital serving the needs of communities in the southwest Salt Lake Valley, where the population is expected to grow by 33 percent by 2015, and the need for nearby medial care is great. Located just off of Bangerter Highway and 12600 South, the hospital sits on 63 acres and includes a four-story hospital, a four-story Primary Children's Medical Center outpatient facility, and a four-story physician office building."

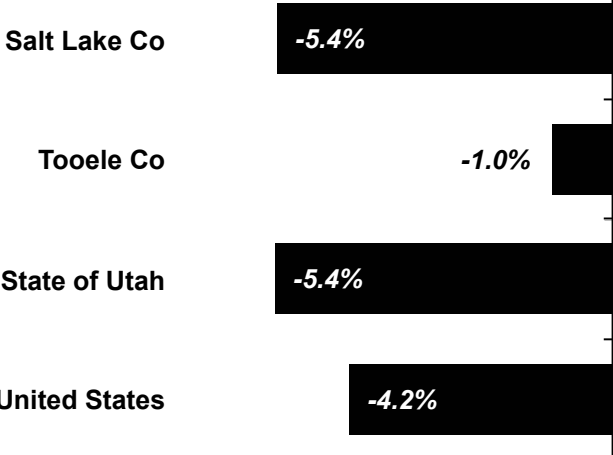
—Utah Business

**Seasonally Adjusted Unemployment Rates
September 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs
June 2008 to June 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.